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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-570-028)

Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, in Part, and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that hydrofluorocarbon blends and components thereof (HFCs) from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is October 1, 2014, through March 31, 2015. The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice. The final determination will be issued 135 days after publication of this preliminary determination in the Federal Register. Interested parties are invited to comment on this preliminary determination.

DATES: Effective date: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.)

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Elizabeth Eastwood, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973 or (202) 482-3874, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department initiated this investigation on July 22, 2015.¹ For a complete description of the events that followed the initiation of this investigation, see the memorandum that is dated concurrently with this determination and hereby adopted by this notice.² The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are HFCs. For a full description of the scope of this investigation, see the "Scope of the Investigation," in Appendix I of this notice.

Scope Comments

Certain interested parties commented on the scope of the investigation as it appeared in the Initiation Notice. We have addressed some comments raised by interested parties but intend to address the rest of the comments at a later point in the investigation. For discussion of those comments, see the Preliminary Decision Memorandum.

¹ See Hydrofluorocarbon Blends and Components Thereof From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation, 80 FR 43387 (July 22, 2015) (Initiation Notice).

² See "Decision Memorandum for Preliminary Determination of the Antidumping Duty Investigation of Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China," from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant

Methodology

The Department conducted this investigation in accordance with section 731 of the Act. We calculated export prices in accordance with section 772 of the Act. Because the PRC is a non-market economy within the meaning of section 771(18) of the Act, normal value (NV) was calculated in accordance with section 773(c) of the Act.

For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

Preliminary Affirmative Determination of Critical Circumstances, in Part

On November 30, 2015, the petitioner timely filed an amendment to the petition, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(2)(i), alleging that critical circumstances exist with respect to imports of the merchandise under consideration.³ We preliminarily determine that critical circumstances do not exist for Shandong Dongyue Chemical Co., Ltd./Huantai Dongyue International Trade Co., Ltd. (Dongyue), and non-individually examined companies, but do exist with respect to T.T. International Co., Ltd. (T.T. International) and the PRC-wide entity. For a full description of the methodology and results of our analysis, see the Preliminary Decision Memorandum.

Combination Rates

In the Initiation Notice,⁴ the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁵

Secretary for Enforcement and Compliance, dated concurrently with this notice (Preliminary Decision Memorandum).

³ See Letter from Petitioner to the Department, Re: “Hydrofluorocarbon Blends and Components Thereof from the People’s Republic of China: Critical Circumstances Allegation,” November 30, 2015.

⁴ See Initiation Notice, 80 FR at 43391.

Preliminary Determination

The preliminary weighted-average antidumping duty (AD) margin percentages are as follows:

Exporter	Producer	Weighted-Average Margin (%)
Shandong Dongyue Chemical Co., Ltd./ Huantai Dongyue International Trade Co., Ltd.	Shandong Dongyue Chemical Co., Ltd.	92.88
Shandong Dongyue Chemical Co., Ltd./ Huantai Dongyue International Trade Co., Ltd.	Jiangsu Melian Chemical Co., Ltd.	92.88
Shandong Dongyue Chemical Co., Ltd./ Huantai Dongyue International Trade Co., Ltd.	Jiangxi Gemei Fluorine Chemical Co., Ltd.	92.88
Shandong Dongyue Chemical Co., Ltd./ Huantai Dongyue International Trade Co., Ltd.	Liaocheng Fuer New Material Technology Co., Ltd.	92.88
Shandong Dongyue Chemical Co., Ltd./ Huantai Dongyue International Trade Co., Ltd.	Zhejiang Quzhou Juxin Fluorine Chemical Co., Ltd.	92.88
Shandong Dongyue Chemical Co., Ltd./ Huantai Dongyue International Trade Co., Ltd.	Zhejiang Sanmei Chemical Ind. Co., Ltd.	92.88
T.T. International Co., Ltd.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	91.99
T.T. International Co., Ltd.	Zhejiang Lantian Environmental Protection Fluorine Materials Co., Ltd.	91.99
T.T. International Co., Ltd.	Jinhua Yonghe Fluorochemical Co., Ltd.	91.99
T.T. International Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.	91.99
T.T. International Co., Ltd.	Shandong Huaan New Material Co., Ltd.	91.99
T.T. International Co., Ltd.	Zhejiang Zhonglan Refrigeration Technology Co., Ltd.	91.99
T.T. International Co., Ltd.	Dongyang Weihua Refrigerants Co., Ltd.	91.99

⁵ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on the Department's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Exporter	Producer	Weighted-Average Margin (%)
Daikin Fluorochemicals (China) Co., Ltd.	Daikin Fluorochemicals (China) Co., Ltd.	92.60
Jinhua Yonghe Fluorochemical Co., Ltd.	Zhejiang Yonghe Refrigerant Co., Ltd.	92.60
Shandong Huaan New Material Co., Ltd.	Shandong Huaan New Material Co., Ltd.	92.60
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Zhejiang Lantian Environmental Protection Fluoro Material Co., Ltd.	92.60
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	92.60
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.	92.60
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.	92.60
Zhejiang Yonghe Refrigerant Co., Ltd.	Jinhua Yonghe Fluorochemical Co., Ltd.	92.60
Zhejiang Sanmei Chemical Industry Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.	92.60
Zhejiang Sanmei Chemical Industry Co., Ltd.	Jiangsu Sanmei Chemicals Co., Ltd.	92.60
PRC-Wide Entity ⁶		210.46

Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁷ A table of contents, list of authorities

⁶ This also includes Sinchem Lantian Trade Co., Ltd., Sinochem Environmental Protection Chemicals (Taicang) Co. Ltd., Zhejiang Lantian Environmental Protection Fluoro Material Co., Ltd., Zhejiang Quhua Fluor-Chemistry Co., Ltd., and Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.

used, and an executive summary of issues should accompany any briefs submitted to the Department.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically at Enforcement and Compliance's electronic records system, ACCESS. An electronically-filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.⁸ Hearing requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues you intend to present at the hearing. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of HFCs from the PRC, as described in Appendix I of this notice, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register.

Section 733(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b)

⁷ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

the date on which notice of initiation of the investigation was published. We preliminarily find that critical circumstances exist for imports of HFCs from the PRC produced or exported by the T.T. International Co., Ltd. and the PRC-wide entity. Accordingly, for T.T. International Co., Ltd. and the PRC-wide entity, in accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

Pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit⁹ equal to the weighted-average amount by which NV exceeds U.S. price, as indicated in the chart above, as follows: (1) the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate the Department determines in this preliminary determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by

⁸ See 19 CFR 351.310(c).

⁹ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

Respondents Dongyue and T.T. International requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (i.e., to 135 days after publication of the preliminary determination), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.¹⁰ In addition, the petitioners¹¹ also requested that, in the event of a negative preliminary determination, the Department postpone its final determination to 135 days after the date of publication of the preliminary determination.¹²

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination until no later than 135 days after the publication of this notice in the Federal Register and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will issue our final

¹⁰ See letters from Dongyue and T.T. International, respectively, entitled, “Request for Postponement of Final Determination: Antidumping Duty Investigation on Hydrofluorocarbon Blends and Components Thereof from the People’s Republic of China,” dated January 13, 2016, and “Hydrofluorocarbon Blends and Components Thereof from the People’s Republic of China: Request to Postpone Final Determination,” dated January 14, 2016.

¹¹ The petitioners in this proceeding are American HFC Coalition and District Lodge 154 of the International Association of Machinists and Aerospace Workers.

¹² See letter from the petitioners entitled, “Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China: Petitioner's Request for Extension of the Antidumping Investigation Final

determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.¹³

International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we are notifying the ITC of our affirmative preliminary determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of HFCs, or sales (or the likelihood of sales) for importation, of the merchandise under consideration before the later of 120 days after the date of this preliminary determination or 45 days after our final determination. Because we are postponing the deadline for our final determination to 135 days from the date of publication of this preliminary determination, as discussed above, the ITC will make its final determination no later than 45 days after our final determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: January 21, 2016.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Determination,” dated January 13, 2016.

¹³ See 19 CFR 351.210(b)(2) and (e).

Appendix I

Scope of the Investigation

The products subject to this investigation are blended hydrofluorocarbons (HFCs) and single HFC components of those blends thereof, whether or not imported for blending. HFC blends covered by the scope are R-404, a zeotropic mixture consisting of 52 percent 1,1,1-Trifluoroethane, 44 percent Pentafluoroethane, and 4 percent 1,1,1,2-Tetrafluoroethane; R-407A, a zeotropic mixture of 20 percent Difluoromethane, 40 percent Pentafluoroethane, and 40 percent 1,1,1,2-Tetrafluoroethane; R-407C, a zeotropic mixture of 23 percent Difluoromethane, 25 percent Pentafluoroethane, and 52 percent 1,1,1,2-Tetrafluoroethane; R-410A, a zeotropic mixture of 50 percent Difluoromethane and 50 percent Pentafluoroethane; and R-507A, an azeotropic mixture of 50 percent Pentafluoroethane and 50 percent 1,1,1-Trifluoroethane also known as R-507. The foregoing percentages are nominal percentages by weight. Actual percentages of single component refrigerants by weight may vary by plus or minus two percent points from the nominal percentage identified above.¹⁴

The single component HFCs covered by the scope are R-32, R-125, and R-143a. R-32 or Difluoromethane has the chemical formula CH_2F_2 , and is registered as CAS No. 75-10-5. It may also be known as HFC-32, FC-32, Freon-32, Methylene difluoride, Methylene fluoride, Carbon fluoride hydride, halocarbon R32, fluorocarbon R32, and UN 3252. R-125 or 1,1,1,2,2-Pentafluoroethane has the chemical formula CF_3CHF_2 and is registered as CAS No. 354-33-6. R-125 may also be known as R-125, HFC-125, Pentafluoroethane, Freon 125, and Fc-125, R-125. R-143a or 1,1,1-Trifluoroethane has the chemical formula CF_3CH_3 and is registered as CAS No. 420-46-2. R-143a may also be known as R-143a, HFC-143a, Methylfluoroform, 1,1,1-Trifluoroform, and UN2035.

Excluded from this investigation are blends of refrigerant chemicals that include products other than HFCs, such as blends including chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs).

Also excluded from this investigation are patented HFC blends, such as ISCEON® blends, including MO99™ (RR-438A), MO79 (R-422A), MO59 (R-417A), MO49Plus™ (R-437A) and MO29™ (R-4 22D), Genetron® Performax™ LT (R-407F), Choice® R-421A, and Choice® R-421B.

¹⁴ R-404A is sold under various trade names, including Forane® 404A, Genetron® 404A, Solkane® 404A, Klea® 404A, and Suva®404A. R-407A is sold under various trade names, including Forane® 407A, Solkane® 407A, Klea®407A, and Suva®407A. R-407C is sold under various trade names, including Forane® 407C, Genetron® 407C, Solkane® 407C, Klea® 407C and Suva® 407C. R-410A is sold under various trade names, including EcoFluor R410, Forane® 410A, Genetron® R410A and AZ-20, Solkane® 410A, Klea® 410A, Suva® 410A, and Puron®. R-507A is sold under various trade names, including Forane® 507, Solkane® 507, Klea®507, Genetron®AZ-50, and Suva®507. R-32 is sold under various trade names, including Solkane®32, Forane®32, and Klea®32. R-125 is sold under various trade names, including Solkane®125, Klea®125, Genetron®125, and Forane®125. R-143a is sold under various trade names, including Solkane®143a, Genetron®143a, and Forane®125.

HFC blends covered by the scope of this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings 3824.78.0020 and 3824.78.0050. Single component HFCs are currently classified at subheadings 2903.39.2035 and 2903.39.2045, HTSUS.¹⁵ Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

¹⁵ We note that HFC blends were classified at HTSUS subheading 3824.78.0020 and single component HFCs were classified at HTSUS subheading 2903.39.2030 in 2015.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum:

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